



2016-20 STRATEGIC PLANNING ~ POLICY FORUMS~

Focus on
Financial Barriers to College

April 8, 2015

Overview

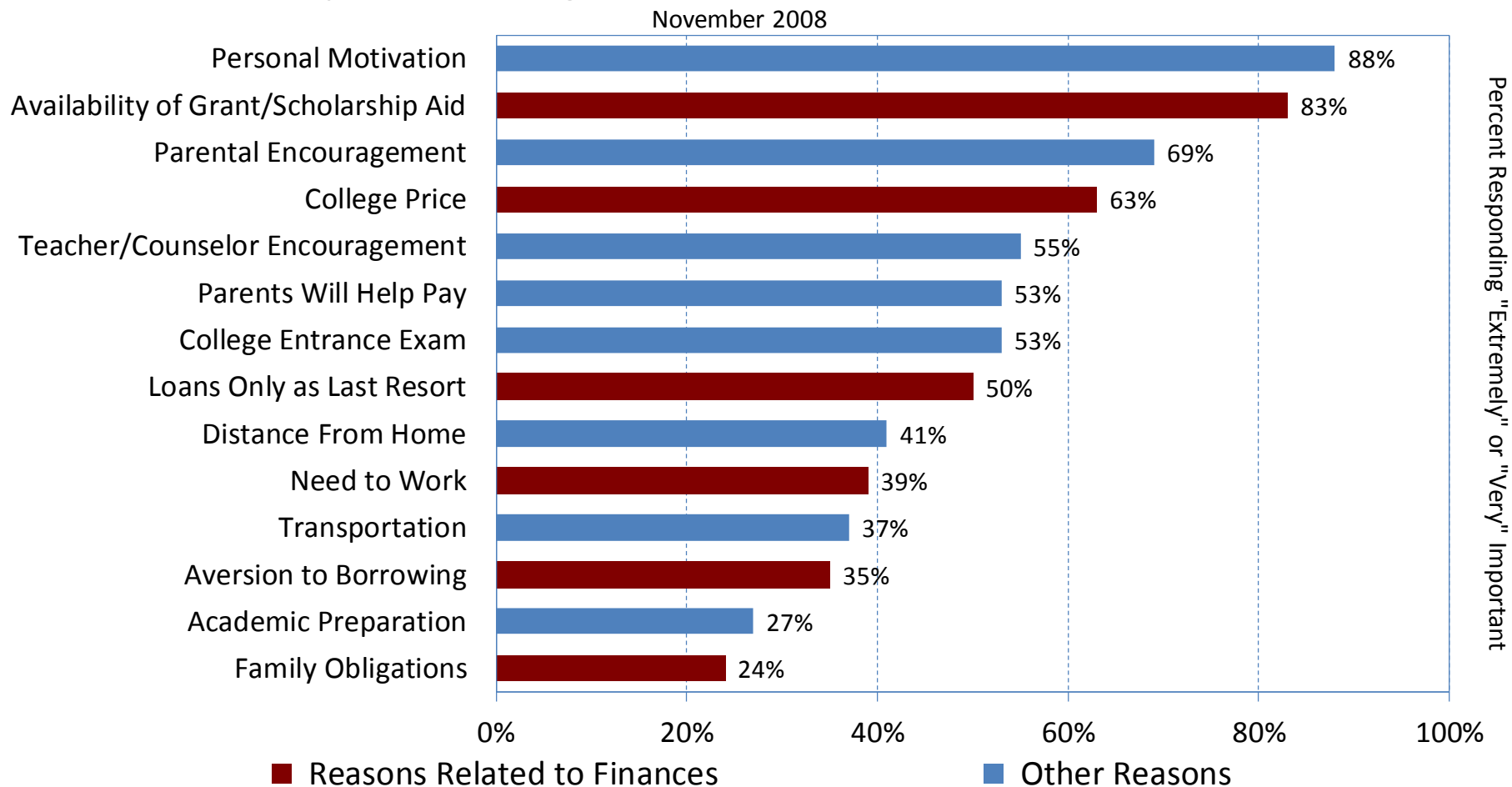
- Why don't college-qualified students enroll in college?
- Do student perceptions of financial barriers differ based on demographics?
- Do high school counselor perceptions of financial barriers differ by school type?
- How do state-level higher education financing decisions affect financial barriers to college?
- How has the Council's 2011-15 Strategic Agenda attempted to address financial barriers to college?
- How should objectives and strategies of the Strategic Agenda be modified to address financial barriers going forward?

Why Qualified Students Don't Enroll

- ❑ Concerns about college costs and availability of aid.
- ❑ Not taking necessary steps to enroll in college.
- ❑ Opportunity cost.
- ❑ Skeptical about economic mobility.
- ❑ Lack of transparency about amount and types of financial aid.

Factors Influencing College Attendance

Perceptions of College-Qualified Students Who Did Not Enroll



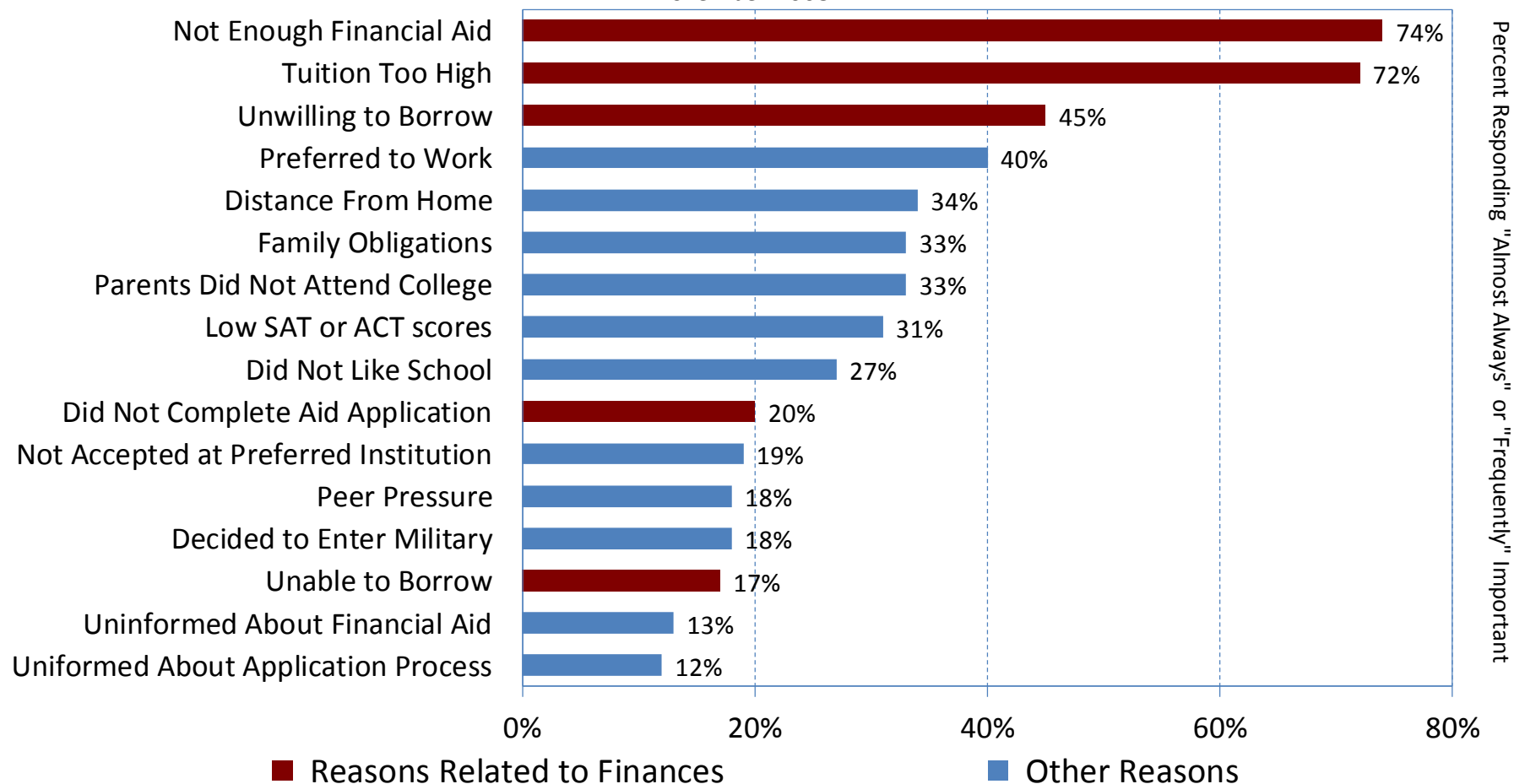
Student Perceptions of Financial Barriers

- ❑ Non college-goers of all backgrounds indicated that **Availability of Grant/Scholarship Aid** was very important (83% overall).
- ❑ Hispanic students rated **Aversion to Borrowing** (41%) and **Loans Only as Last Resort** (64%) as very important, more so than non college-goers overall (35% and 50%, respectively).
- ❑ Black non college-goers (49%) were more likely than White (37%) or Hispanic (40%) counterparts to see **Need to Work** as very important.
- ❑ Non-college-goers who received FRPL in high school rated **Price of College** (70%) and **Need to Work** (49%) as very important, more so than counterparts who did not receive FRPL (59% and 34% respectively).

Reasons College-Qualified Students Did Not Enroll in a Four-Year Institution

Perceptions of High School Counselors

November 2008



Counselor Perceptions of Financial Barriers

- Counselors at high minority and high FRPL schools believed that cost was the primary obstacle to access among the students they served.
- Counselors at high FRPL schools were more likely to see **Not Enough Financial Aid** (82%) and **Tuition Too High** (79%) as important than counselors at private schools (62% and 59%, respectively).
- Counselors at high minority schools (59%) rated **Unwilling to Borrow** as frequently important, more so than peers at low minority schools (41%).

Higher Education Financing Decisions

State Policymakers

- Provide state appropriations for institutions.
- Fund state financial aid programs with lottery proceeds.

Council on Postsecondary Education

- Has statutory authority to determine tuition.
- Submits biennial requests for state funding.

Postsecondary Institutions

- Provide institutional financial aid.
- Set tuition and fees at or below CPE ceilings.

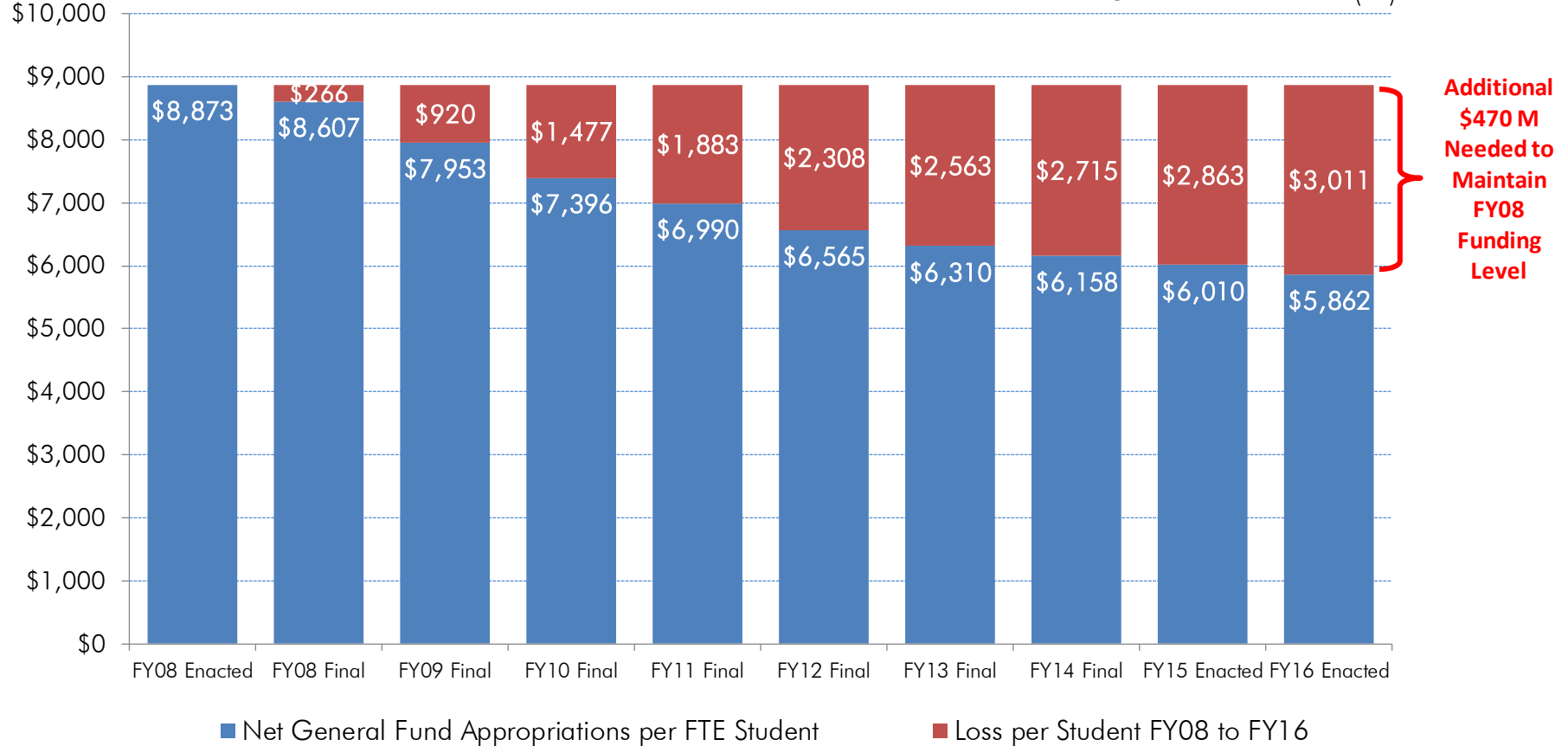
Kentucky Public Postsecondary System

Inflation Adjusted Net General Fund Appropriations per FTE Student

Fiscal Years 2008 - 2016 enacted

Dollars
(per Student)

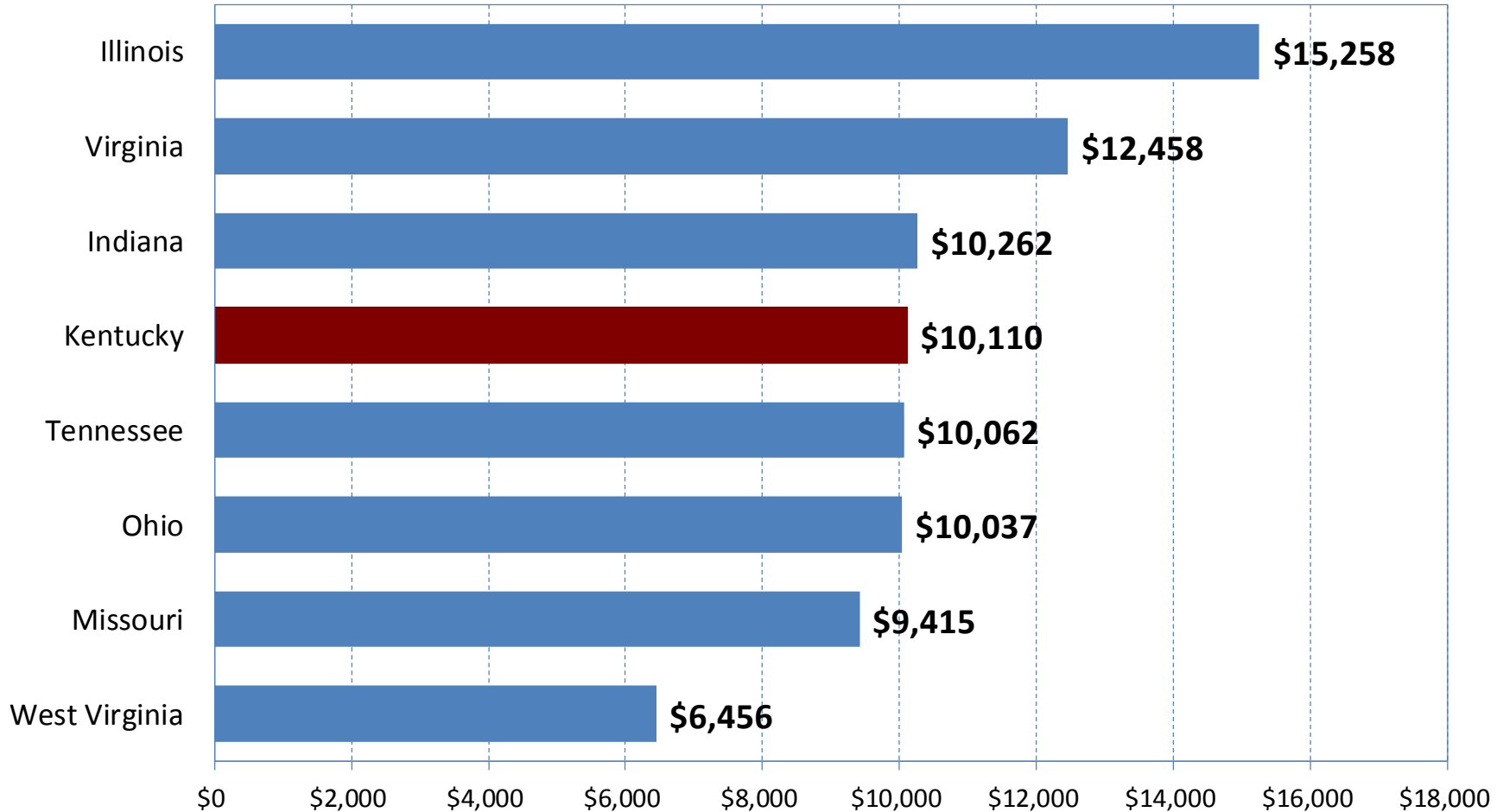
Constant FY16 Dollars (est)



Flagship Universities in Kentucky and Surrounding States

Resident Undergraduate Tuition and Required Fees

Academic Year 2013-14

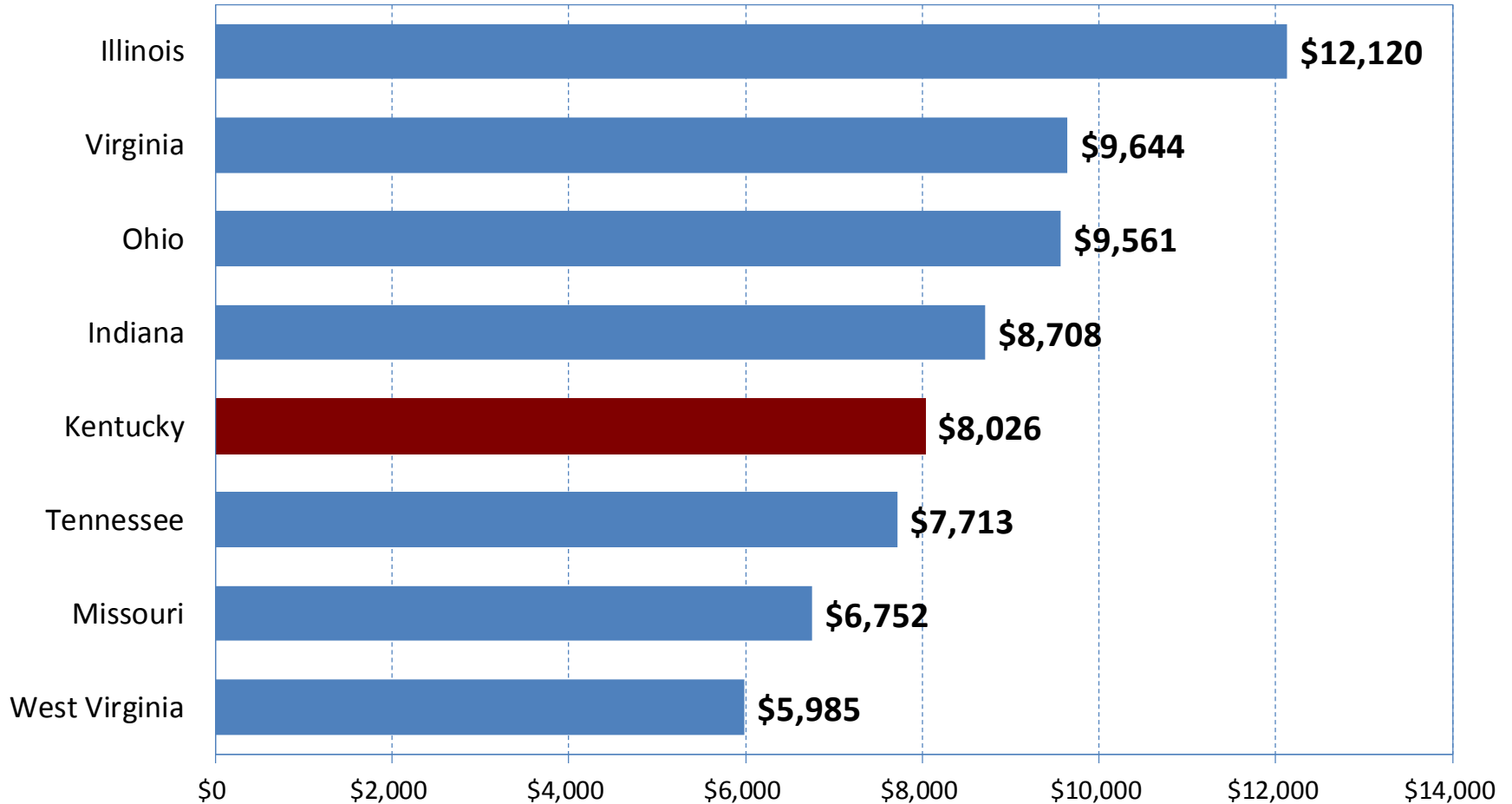


Source: Washington Student Achievement Council (WSAC).

Comprehensive Colleges & Universities in Kentucky and Surrounding States

Resident Undergraduate Tuition and Required Fees (State Averages)

Academic Year 2013-14

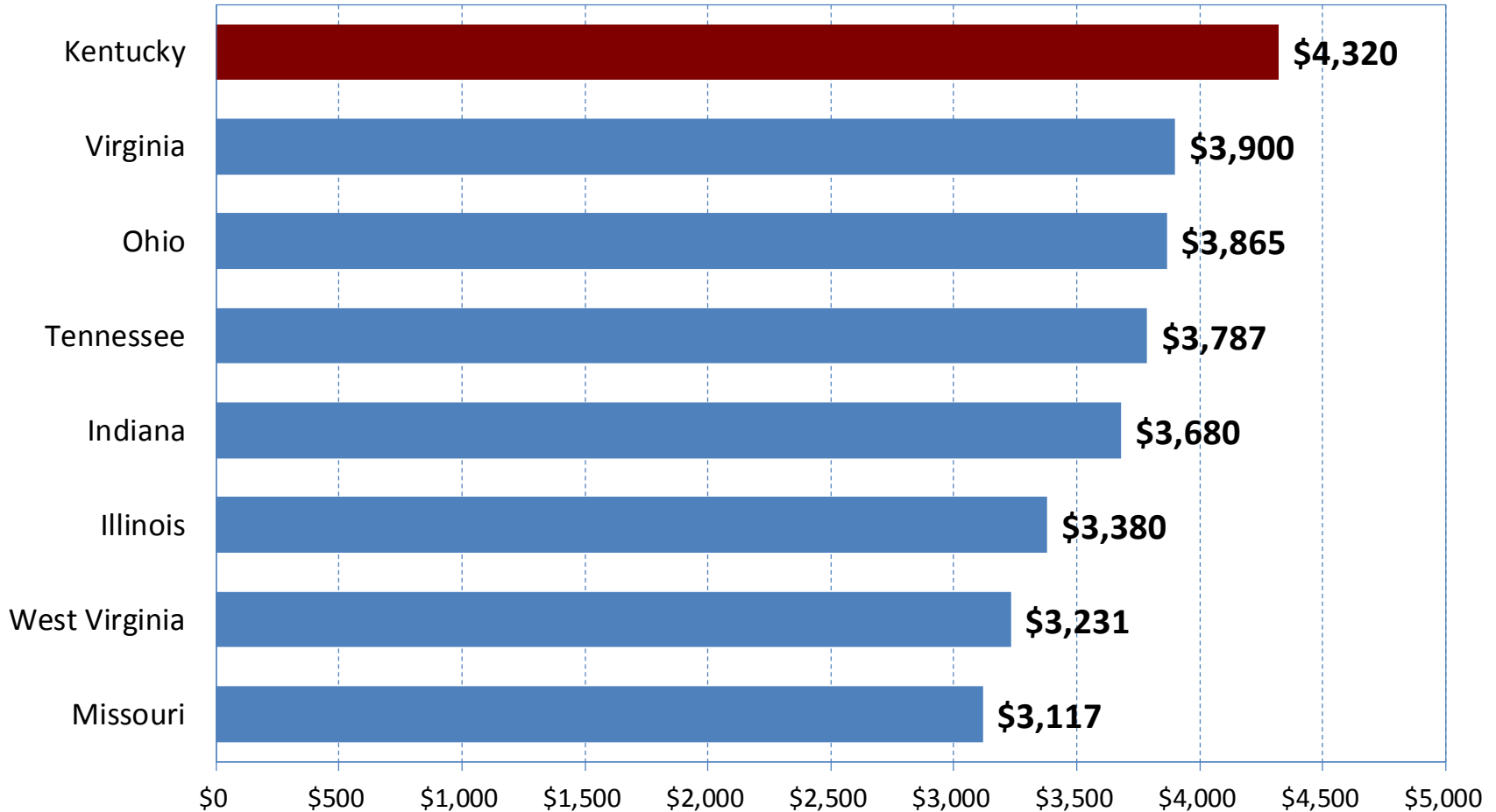


Source: Washington Student Achievement Council (WSAC).

Community Colleges in Kentucky and Surrounding States

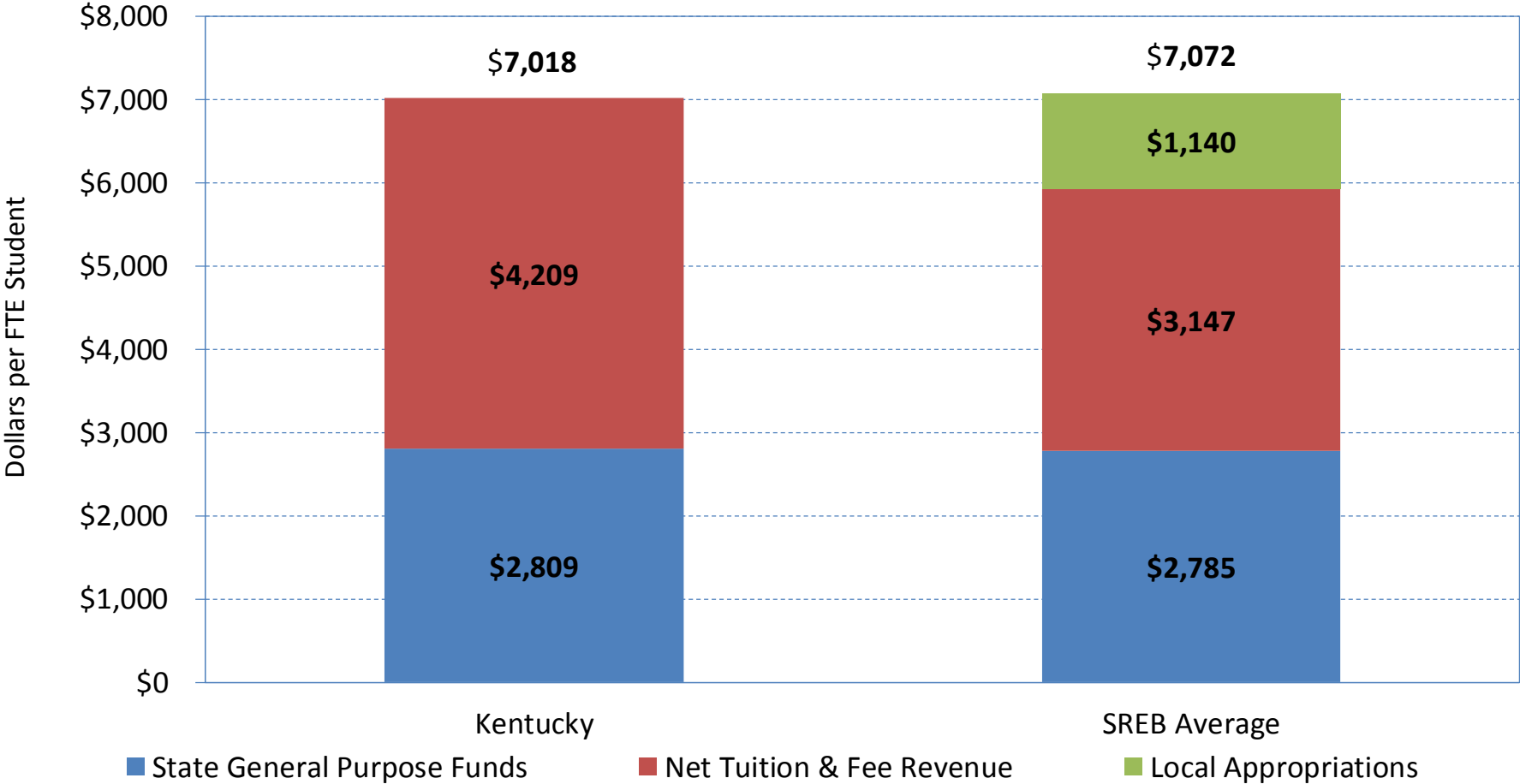
Resident Tuition and Required Fees (Estimated State Averages)

Academic Year 2013-14



Source: Washington Student Achievement Council (WSAC).

**Kentucky Public Two-Year College and SREB Average
Total Public Funds per Full-Time Equivalent Student**

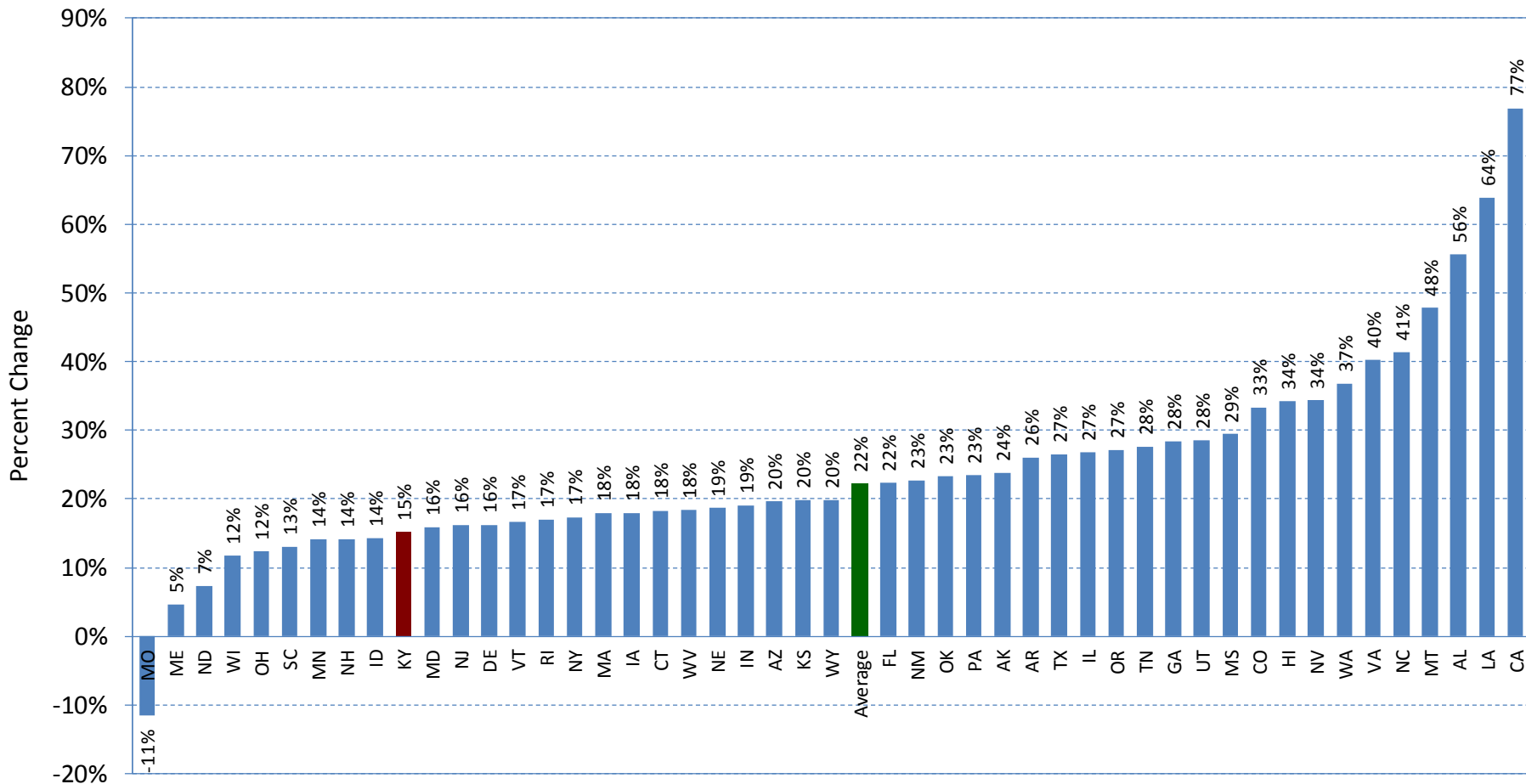


Source: SREB Data Exchange.

Community Colleges in Kentucky and Across the Nation

Change in Resident Tuition and Required Fees (Estimated State Averages)

Between Academic Years 2009-10 and 2013-14



Kentucky Public Postsecondary Sectors and System

Average Yearly Increases in Resident Undergraduate Tuition and Fees

Academic Years 2003-2009 and 2009-2015

	6-Yr. Growth Rate 2003-2009	6-Yr. Growth Rate 2009-2015
Research Sector	11.4%	5.3%
Comprehensive Sector	12.0%	4.7%
Two-Year College Sector	11.2%	3.8%
Postsecondary System	11.8%	4.8%

**59% Decrease in Average
Yearly Increases FY09- FY15**

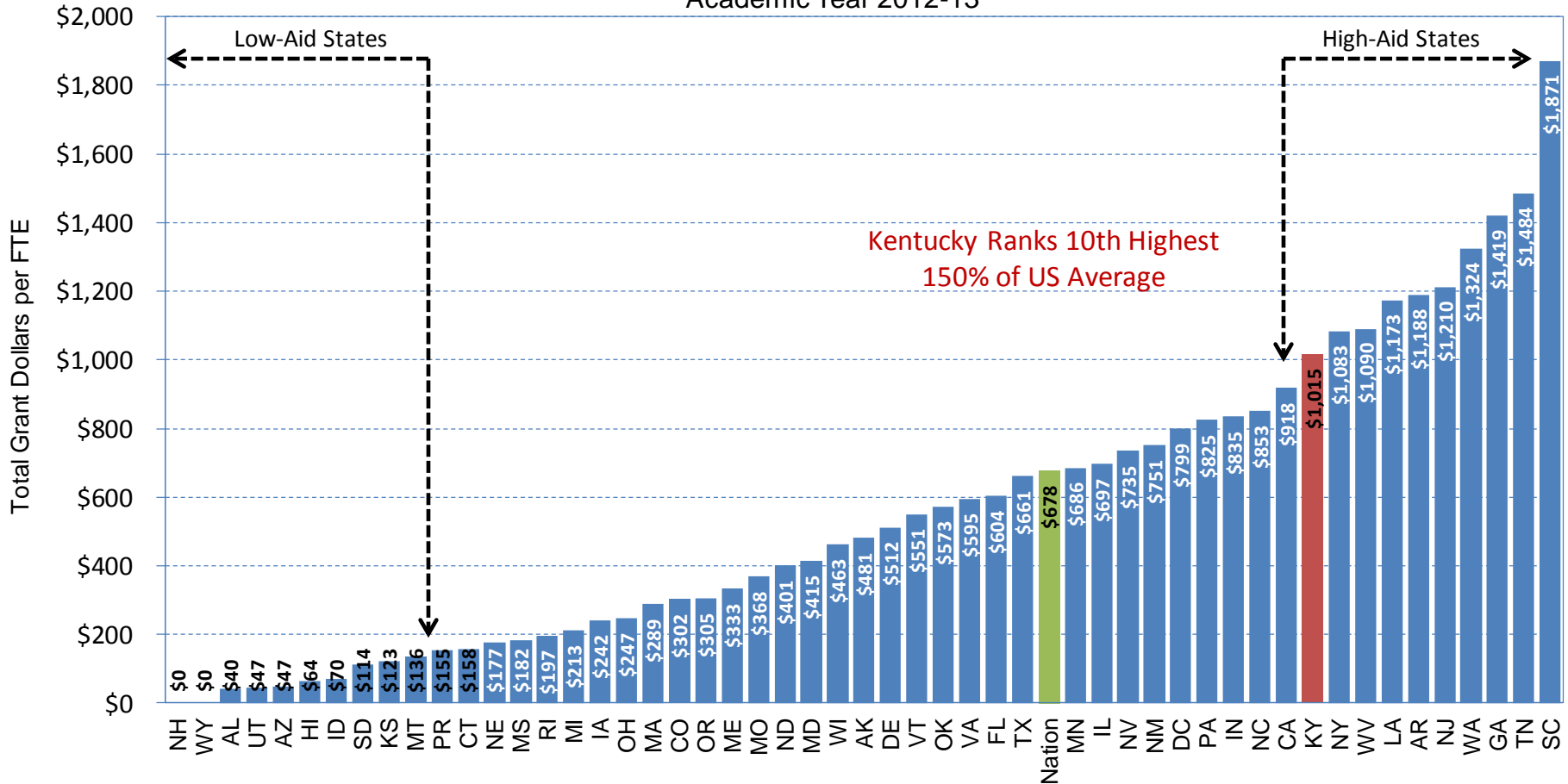
Source: Council on Postsecondary Education, Comprehensive Database.

*Sector and system averages are unweighted

Kentucky and Other States

Estimated Total Undergraduate Grant Dollars per Undergraduate Student

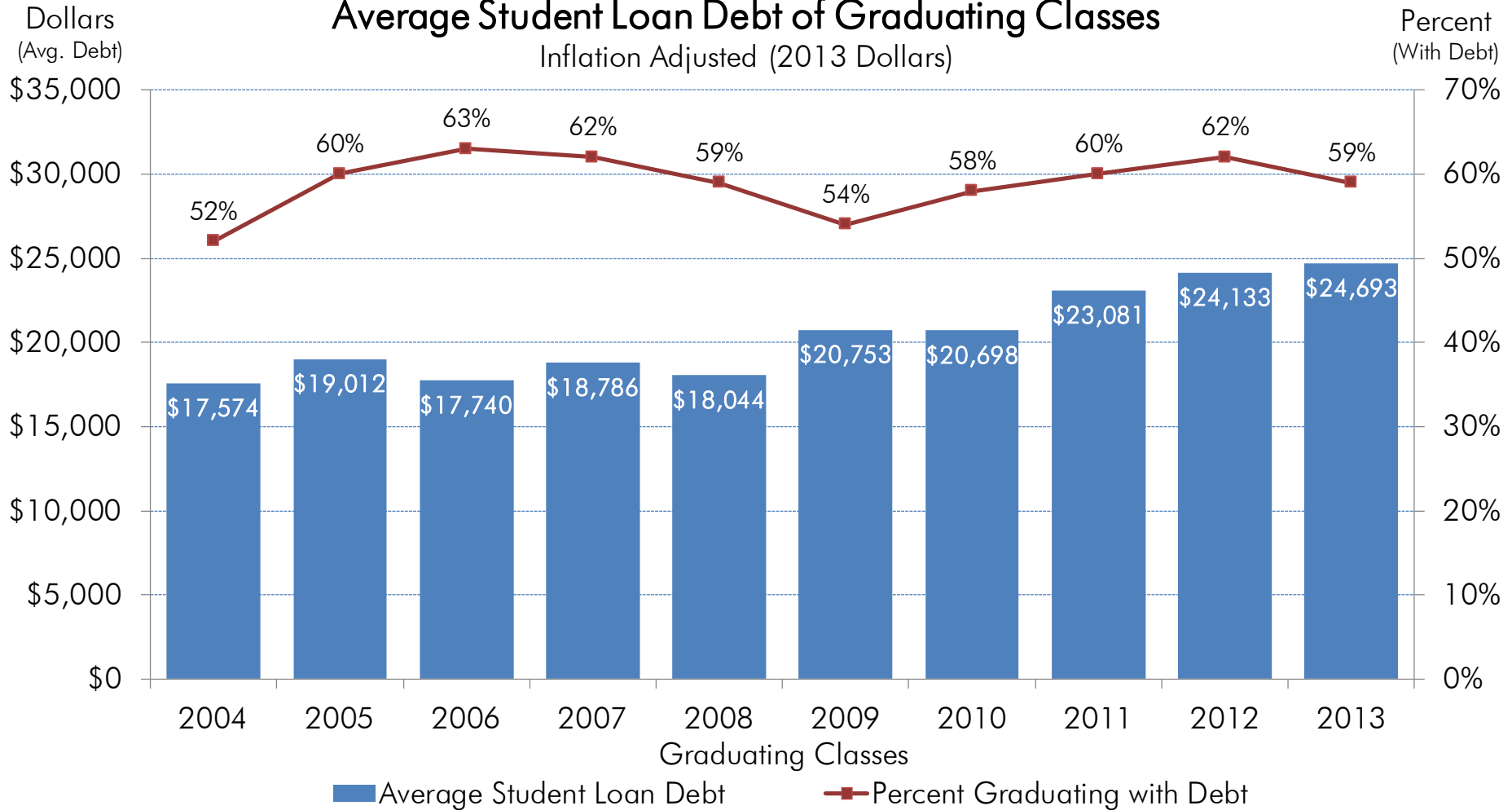
Academic Year 2012-13



Source: National Association of State Student Grant and Aid Programs (NASSGAP), 44th Annual Survey Report on State-Sponsored Student Financial Aid.

Kentucky Public and Private Postsecondary Institution Average Student Loan Debt of Graduating Classes

Inflation Adjusted (2013 Dollars)

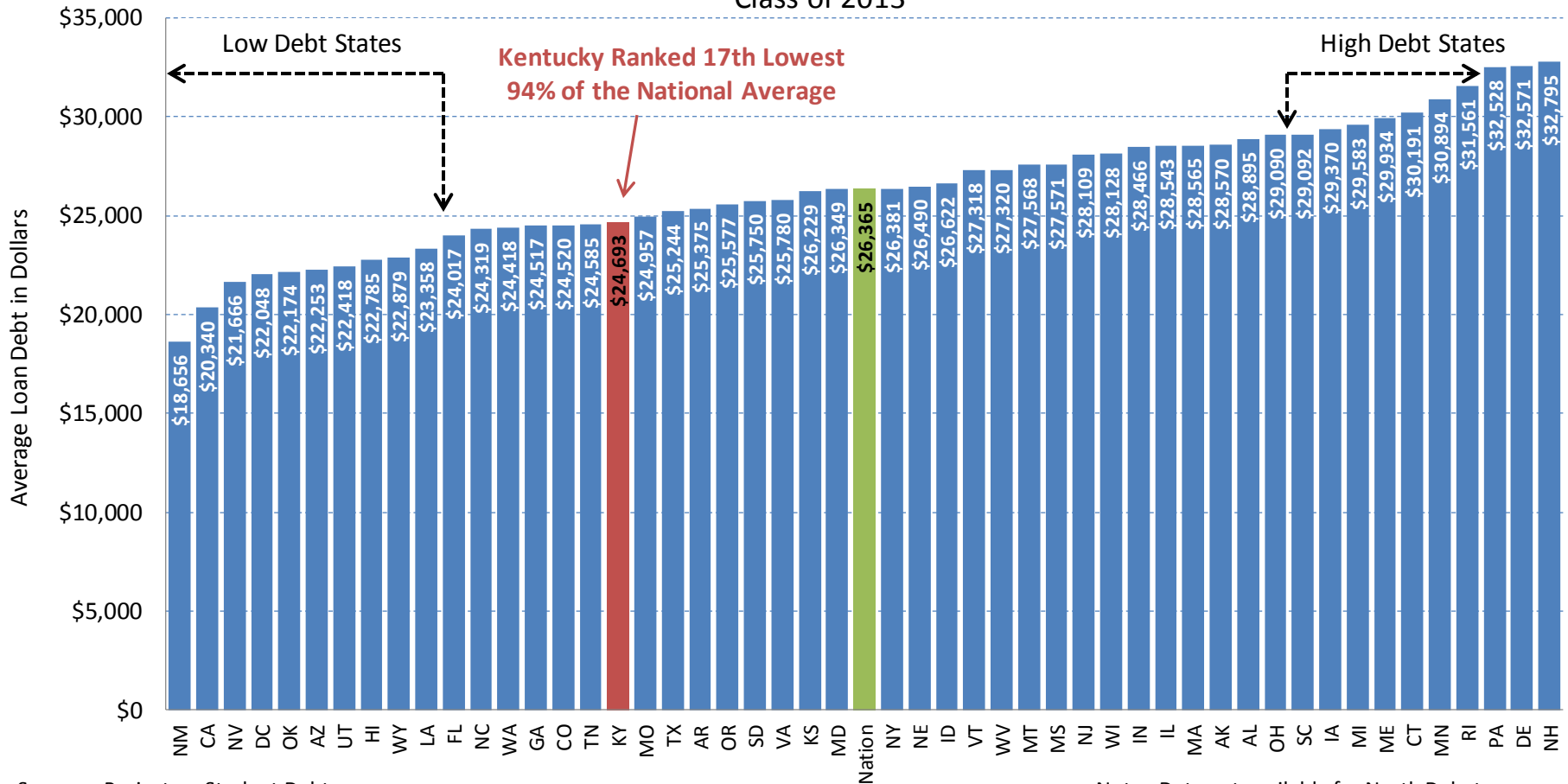


Source: The Project on Student Debt, Annual Survey.

Kentucky and Other States

Average Student Loan Debt of Graduates with Debt at Public and Private Universities

Class of 2013



Source: Project on Student Debt.

Note: Data not available for North Dakota

Council's 2011-2015 Strategic Agenda

Current Mission:

To deliver a world-class education to students, create and apply new knowledge, and grow the economy of the Commonwealth.

Four Focus Areas:

- ❑ College Readiness
- ❑ Student Success
- ❑ Research, Economic, & Community Development
- ❑ Efficiency & Innovation



Accountability



- ❑ Statewide metrics
- ❑ Institutional metrics
- ❑ Online dashboard
- ❑ Annual accountability report

Strategic Agenda



Objectives/Strategies Related to Financial Barriers:

Policy Objective 5: Decrease financial barriers to college access and completion.

Specific strategies

- 5.1. Increase funding for the state's need-based student financial aid programs and ensure they address the needs of part-time, transfer, and adult learners, as well as traditional students.

Strategic Agenda



Objectives/Strategies Related to Financial Barriers:

PO 5: Specific strategies (continued)

- ❑ 5.2. Advocate for sufficient state operating support, financial aid, and campus efficiencies to reduce pressure on tuition.
- ❑ 5.3. Support Pell Grants, the simplification of FAFSA, college savings programs, college work study, tax credits, and other federal aid initiatives intended to maximize student access and success.
- ❑ 5.4. Increase students' and families' understanding of the net costs of going to college and the availability of financial resources to assist them.

Strategic Agenda



Metrics related to financial barriers to college:

- ❑ Grants to low-income students in excess of direct costs
- ❑ Low-income students without grants

Financial Barriers



Current Landscape

- ❑ State funding cuts not as severe in Kentucky.
- ❑ CPE tuition ceilings have slowed rates of increase.
- ❑ Kentucky is a high-aid state (i.e., state-funded programs).
- ❑ CPE advocates for increased funding/financial aid.
- ❑ Institutionally provided student aid has increased.
- ❑ 15 to Finish will reduce student and taxpayer costs.

Financial Barriers



Potential Threats

- ❑ Declining state support has put pressure on tuition.
- ❑ Kentucky has not reinvested in higher education.
- ❑ State financial aid per student has not grown.
- ❑ Insufficient funding for CAP need-based grants.
- ❑ Kentucky is no longer a low-debt state.
- ❑ Perception that college is no longer affordable.

Time to Brainstorm

